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PART IV

Advertisements and Notices by Private Individuals and Corporations

AIR-INDIA INTERNATIONAL

NOTIFICATION

In exercise of the powers conferred by Sub-section (1) of Section 45 of the Air Corporations Act, 1953 (27 of 1953), the Air-India International Corporation, with the previous approval of the Central Government, hereby amends the Air-India International Corporation (Grant of Refund and Concessional Transportation) Regulations, 1956, as follows, namely:—

In the said Regulations, the existing regulation No. 5 shall be deleted and the following shall be substituted therefor:—

"5. Quarterly Statements—A statement showing all free and concessional transportation granted during each quarter to the agents or representatives of agents and on grounds of public relations of the Corporation, shall be placed at a meeting of the Corporation held in the subsequent quarter."

R. N. GUNDIL
Secretary
Air-India International

NOTIFICATION

The following amendment of Rule 4(a) (Chapter VI Maternity and Child Welfare Bureau) of the Rules of the Society which is proposed to be made in exercise of the powers conferred by Section 5 of the Indian Red Cross Society Act, 1920 (XV of 1920) as amended by Act No. 22 of 1956, read with Section 21 of the General Clauses Act, 1897 (X of 1897), in the rules published with the Home Department Notification No. 2777 dated the 22nd October 1920, and as subsequently amended from time to time, is published for the information of all persons likely to be affected thereby. Notice is hereby given that the said amendment will be adopted after the 1st November 1957, if no objections or suggestions are received by that date.

CHAPTER VI—MATERNITY & CHILD WELFARE BUREAU

Meetings

4. (a) The Committee shall ordinarily meet once every six months at such time and place as may be fixed by the Chairman. Additional meetings shall be called when necessary.

BALWANT SINGH PURI
Secretary-General
Indian Red Cross Society

STATE BANK OF HYDERABAD

NOTIFICATION

Hyderabad (Dn.), the 30th July 1957

No. SBH/GI/16/10—The following change in the Bank Staff is hereby notified:

Shri N. R. Ranganathan, Accountant is appointed Manager, State Bank of Hyderabad, Madras Branch

J470GI

with effect from the close of business on 8th July 1957, vice Shri M. V. Subba Rao transferred to Head Office.

BALWANT SINGH
Managing Director

LOST

The Government Promissory Notes Nos. 395850/51 of the 3½ per cent loan of 1865 for Rs. 100 each originally standing in the name of Jotindra Nath Banerji the proprietor (since deceased), by whom they were never endorsed to any other person, having been lost, notice is hereby given that the payment of the above notes and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Delhi, and that application is about to be made for the issue of duplicates in favour of the legal heir of the deceased. The public are cautioned against purchasing or otherwise dealing with the above mentioned securities.

Name of the advertiser—Anila Bala Deby (Succession Certificate holder).

Residence—C/o M. N. Banerjee, Asst. Teacher Rly. High School, Jamalpur (Bihar).

LOST

The Government Promissory Note No. MS052311 of the 3 per cent loan of 1953—55 for Rs. 500 originally standing in the name of IMPERIAL BANK OF INDIA and last endorsed to VAKACHARLA LAKSHMINARAYANARAO, the proprietor, by whom it was never endorsed, to any other person, having been lost, notice is hereby given that the payment of the above Note and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Madras and that application is about to be made for payment of the discharge value in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned security.

Vakacharla Lakshminarayanarao Narayana & Co.,
Fort Gate, Rajahmundry

CHANGE OF NAME

Army Medical Corps

V. S. M. B. ATHMARAO (MS-6115) has changed his name to VB ATHMARAM.

Authy:—Headquarters Western Command (Med.) Simla letter No. 0722/3/57/MED-1, dated 1 Jun 57.

CHANGE OF NAME

May it be known to all that I, Amin Chand s/o Jodha Ram, Labourer-T. 4946, C.O.D. Cantt., Delhi, have hereby changed my name as 'Lila Ram'. Hereafter I will refer myself for all purposes of life as 'Lila Ram s/o Jodha Ram'.

CHANGE OF NAME

I, Abaranji, working in the Income-tax Department, Madras State, shall henceforth be known as "RAJAN".

CHANGE OF NAME

I, Dharikshan Dhobi, an employee of the Central Excise Deptt. have executed the deed for changing my name as per Ministry of Home Affairs O.M. No. 87/52/Ests, dated the 24th March 1952, and my name has been changed to Dharikshan Choudhary (new name)

CHANGE OF NAME

I, Inam Rahman Khan, Secretary Indian Council for Cultural Relations and Education Officer in the Union Ministry of Education will henceforth be known as Inam Rahman.

NOTICE TO CREDITORS

Re: Estate Charles Carew Morgan decd.

Pursuant to Sections 360 of Act XXXIX of 1925 and 42 of Act XXVIII of 1866 all persons having claims against the estate of the abovenamed deceased late of Westfield House, Smarden in the County of Kent, England who died there on the 1st August 1956 are hereby required to send full particulars of their claims to John Kenneth Clifford and Philip Humphrey McNair Jones both Officials of The Chartered Bank of No. 4, Netaji Subhas Road, Calcutta and the Administrators to the above estate on or before the 15th November 1957 after which date the Administrators will proceed to distribute the assets without regard to any claims except those of which any notice shall then have been received.

Dated 27th September 1957.

SANDERSONS & MORGANS

*Solicitors
to the Administrators abovenamed
5 & 7, Netaji Subhas Road
Calcutta 1*

NOTICE TO CREDITORS

Re: Estate Sir Alexandar Robertson Murray decd.

Pursuant to Sections 360 of Act XXXIX of 1925 and 42 of Act XXVIII all persons having claims against the estate of the abovenamed deceased late of Southfield Cottage, Elgin and of Uplands, High Wycombe, Buckinghamshire who died there on the 19th March 1956 are hereby required to send full particulars of their claims to John Kenneth Clifford and Philip Humphrey McNair Jones both Officials of The Chartered Bank of No. 4, Netaji Subhas Road, Calcutta and the Administrators to the above estate on or before the 15th November 1957 after which date the Administrators will proceed to distribute the assets without regard to any claims except those of which any notice shall then have been received.

Dated 28th September 1957.

SANDERSONS & MORGANS

*Solicitors
to the Administrators abovenamed
5 & 7, Netaji Subhas Road
Calcutta 1*

NOTICE**HUGHLEX LIMITED****In Members Voluntary Liquidation**

18-19 Jail Road Coimbatore, the 25th September 1957

To all Share-holders

Notice of final meeting and dissolution

Notice is hereby given that a General Meeting of the Company under Section 497(b) shall be held at the Registered Office of the Company on Saturday the 16th November 1957, to consider the following:—

Agenda

To consider the account of winding up showing how the winding up has been conducted and the

property of the Company has been disposed of and to hear any explanation thereof.

You are cordially invited to attend.

S. R. KRISHNAN

Liquidator

N.B.—A Shareholder may attend either in person or by proxy and a proxy need not be a member.

CLEARING HOUSE AND AGENCIES PRIVATE LTD.**NOTICE**

Delhi, October 9, 1957

In the matter of Indian Companies Act, 1956, under Section 516(1) and of the Clearing House and Agencies Private Ltd., New Delhi

I, S. L. Saluja of 86/19, Janpath, New Delhi do hereby announce that I have been appointed Liquidator of Clearing House and Agencies Private Ltd., New Delhi by a Resolution of the abovenamed Company dated the 30th September 1957.

S. L. SALUJA

NOTICE

In the matter of Indian Companies Act, 1956, under Section 485(1) and of the Clearing House and Agencies Private Ltd., New Delhi

Voluntary Winding up by Members

At an extraordinary General Meeting of the Members of the above-said Company duly convened and held at B-6, Asaf Ali Road on 30th September 1957, the following special resolution was passed:—

"In view of the circumstances explained by the Managing Director of the Company in connection with the Resolution No. 1 passed at the Extraordinary General Meeting of the Company held on 21st August 1957, it be and is hereby resolved that in continuation and supersession of the above mentioned resolution, the Company be voluntarily wound up and that Mr. S. L. Saluja, Director of the Company be and is hereby appointed Liquidator for such winding up and his remuneration be fixed at Rs. nil."

S. KHANNA

Chairman of the meeting

S. L. SALUJA

Director

NOTICE**In the matter of Times Agencies Private Limited**

At an Extraordinary General Meeting of the abovenamed Company duly convened, and held at 16 Faiz Bazar, Delhi on the 14th day of August 1957, the following resolutions were duly passed as Special resolution:—

1. That the company be wound up voluntarily.
2. That Shri S. D. Gupta, 833 Chandni Mahal, Delhi be appointed as voluntary liquidator of the company on a remuneration of Re. 1 to be paid for services to be rendered by him in connection with winding up of the company. He shall also be paid all such expenses and cost and charges that he may incur in connection with the winding up of the company.

S. D. GUPTA

NOTICE

In the matter of the Indian Companies Act, M/s. India Associated Corporation Private Ltd. (In Liquidation)

Pursuant to Section 485 of the Companies Act, 1956, notice is hereby given to all concerned that at an Extraordinary General Meeting of the Company held on Monday the 15th July 1957, a Special Resolution was passed and the Company was wound up voluntarily and Shri Nand Gopal Gupta, Chartered Accountant, Delhi was appointed liquidator for the same.

By order

R. L. GUPTA
Secretary

INDUSTRIAL FINANCE CORPORATION OF INDIA

Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended 30th June 1957 under Section 35 of the Industrial Finance Corporation Act, 1948

ANNUAL ACCOUNTS

The Board of Directors present herewith the Accounts for the year ended the 30th June 1957 together with their report on the working of the Corporation during the year.

After payment of expenses of administration and payment of interest on borrowings, and after providing Rs. 8,56,300.56 for taxation, Rs. 22,24,977.41 towards Reserve for Doubtful Debts and Rs. 1,00,000 towards Reserve for contingencies, the net profit amounted to ... Rs. 11,25,000.00

The above amount will be utilized for payment of guaranteed dividend at 2½ per cent on the paid-up share capital of Rs. 5 crores.

As the profits of the Corporation for the year are sufficient to pay the whole of the guaranteed dividend, the Government are not being called upon to pay any subvention this year. The total amount already drawn from Government by way of subvention to meet the guaranteed dividend up to the year ended the 30th June 1956, amounted to Rs. 53,45,490.16 including Rs. 11,25,000.00 in each of the two years immediately preceding the one under review.

Board of Directors—The composition of the Board remained the same as that of last year, except that, in place of Shri Syamnandan Sahaya, M.P. who died suddenly on the 14th March 1957, Shri R. M. Deshmukh, M.P. was elected as a Director by the Co-operative Banks, on the 7th May 1957. The Board express their profound sorrow at the demise of their esteemed colleague Shri Syamnandan Sahaya and place on record the valuable service he rendered to the Corporation during his long tenure as a Director.

In terms of Section 11(2) of the I.F.C. Act, Shri S. V. Ramamurty, representing Scheduled Banks, and Shri S. C. Roy, representing Insurance Companies, Investment Trusts and other like financial institutions, will retire at the end of the year. In terms of Section 11(3) of the Act, Shri R. M. Deshmukh, representing Co-operative Banks, will also retire at the end of the year. All the above directors are eligible for re-election and are required to continue in office till their successors are elected at the Annual General Meeting to be held on the 27th September 1957.

Meetings of the Board and of the Central Committee—Five meetings of the Board were held during the year, two in New Delhi, and one each in Kanpur, Madras and Bombay. The Central Committee of the Board held eight meetings, of which six were in New Delhi, and one each in Calcutta and Madras.

Advisory Committees—The Advisory Committees for Textile, Sugar, Engineering and Chemical industries continued to function during the year under report. These Committees held 21 meetings in all and considered 37 applications for loans aggregating Rs. 10,34,75,000.

A separate Advisory Committee was constituted towards the end of the year for miscellaneous industries like Electricals, Paper, Cement, Glass, Aluminium, Non-ferrous metals, etc.

Office premises—The Head Office of the Corporation shifted to the Reserve Bank Building, Parliament Street on the 26th October 1956.

Distribution of shares—No transfer of shares took place during the year under review and the position regarding the distribution of shares at the end of the year therefore remained unchanged as follows:—

Central Government	..	..	2,000
Reserve Bank of India	..	..	2,054
Scheduled Banks	..	..	2,405
Insurance Cos. etc.	..	..	2,598*
Co-operative Banks.	..	..	943
			10,000

*During the year, the Life Insurance Corporation Act, 1956 came into force and by virtue of that Act, all the assets and liabilities appertaining to the life insurance business of all insurers vested in the Life Insurance Corporation of India. We have been informed that out of the 2,598 shares held by insurance companies, etc., 2,346 shares have, under the provisions of the said Act, vested in the Life Insurance Corporation of India.

Instructions on questions of policy issued by the Central Government—During the year under report, the Central Government issued, in terms of sub-section (3) of Section 6 of the Industrial Finance Corporation Act, 1948, further instructions on questions of policy, which are reproduced in Appendices 'A' and 'B'. These instructions as also the earlier ones were fully complied with.

Rules framed by the Central Government—Under the powers vested in the Central Government by Section 42 of the I.F.C. Act, Government framed during the year the Industrial Finance Corporation Rules, 1957. A copy of the Rules is reproduced in Appendix 'C'. These rules came into force from the 22nd January 1957.

Rule 7 of the above Rules was subsequently amended by Government and a copy of their letter No. 2(18)-Corp./55 dated 15th July 1957 and the order referred to therein are reproduced in Appendices 'D' and 'E'.

Bonds—No additional bonds were issued during the year and consequently, the total amount of 3½ per cent 1964 Bonds outstanding at the end of the year remained unchanged at Rs. 7,80,50,000.

Borrowings from the Reserve Bank of India—To meet the heavy disbursements on account of sanctioned loans, the limit of Rs. 3 crores available with the Reserve Bank of India in terms of Section 21(3)(b) of the I.F.C. Act was fully utilized during the greater part of the current year. The aggregate of the amounts borrowed from the Reserve Bank under this arrangement during the year consequently amounted to Rs. 6,35,50,000. The amount outstanding as at the close of the year was Rs. 2,79,50,000.

The Reserve Bank charges interest at the prevailing bank rate on these borrowings. This comes to 4 per cent per annum with effect from the 16th May 1957. Up to the 15th May 1957, the rate charged was 3½ per cent per annum.

Borrowings from Central Government—During the year, the Corporation borrowed sums aggregating Rs. 6,50,00,000 from the Central Government, in terms of Section 21(4) of the I.F.C. Act. These borrowings carry interest at 4½ per cent per annum.

Rate of interest—In view of the increase in the rates of interest at which the Corporation itself has had to raise funds, the Corporation's lending rate was raised by ½ per cent with effect from the 23rd April 1957 with the approval of the Central Government as notified in the Government of India Gazette dated 25-5-1957 in accordance with Rule 6 of I.F.C. Rules 1957. Our lending rate now stands at 7 per cent per annum with the usual rebate of ½ per cent for payment of interest and instalments of principal on due dates.

Auditors—The Central Government appointed Messrs. S. Vaidyanath Aiyar & Co., Delhi, as auditors of the Corporation for the year ended the 30th June 1957, and at the Annual General Meeting of the Shareholders of the Corporation held on the 29th September 1956, Messrs. S. B. Billimoria & Co., Bombay, were elected as auditors on behalf of the Shareholders, other than the Central Government and the Reserve Bank of India, for the year ended the 30th June 1957. Messrs. S. B. Billimoria & Co., will retire but are eligible for re-election.

It was stated in the last Annual Report that the Audit Report of the Comptroller and Auditor General of India for the year ended the 30th June 1955 was awaited. This Report has since been received by the Corporation. The audit of the accounts of the Corporation for the year ended the 30th June 1956 has been carried out by the Comptroller and Auditor General of India and his report is awaited.

Form of Balance Sheet and Profit and Loss Account—Under Rule 3 of the I.F.C. Rules 1957, the Corporation is required to prepare a Balance Sheet and Profit and Loss Account as on the 30th June of every year in the forms to be prescribed by Government from time to time. Government have since prescribed the said forms in consultation with the Comptroller and Auditor General of India and the Balance Sheet and Profit and Loss Account as at the end of the year under review have accordingly been prepared in the revised forms prescribed, and are annexed to this report. A schedule showing particulars in respect of the loans and advances as on the 30th June 1957, is also attached to the Balance Sheet.

Interest of Directors in Loanee concerns—A statement showing an analysis of the figure shown at item (d) of the schedule referred to above is given in appendix 'F'.

It will be observed from section A of this statement that one of the Directors of the Corporation, who is a Director

of a number of Co-operative Sugar Societies, functions as such in his capacity as a nominee of the Bombay State Co-operative Bank; this alone accounts for loans to the extent of Rs. 1,61,75,000. A further sum of Rs. 1,74,47,739.06 is accounted for by loans outstanding against concerns in which our Directors are interested only as *share-holders* (vide section B of the statement). There was only one concern (vide Section C of the statement) in which a Director of the Corporation had interest as a Director of the concern as well as of its managing agency concern. He became a Director of the I.F.C. only after the loan was sanctioned in 1952 and this concern has since repaid the loan of Rs. 7,04,535.62 in full, and is no longer in our books.

The above mentioned items aggregate a total figure of Rs. 3,43,27,274.68, which works out to 73.4 per cent of the total.

It is also to be noted in respect of the figures given above that where the Directors of the Corporation are interested in loanee concerns in any capacity, the loans had in fact already been sanctioned, in the case of a large number, prior to the date on which the Director concerned came to be elected to the Board of the Corporation or nominated thereto.

It may also be mentioned in this connection that under the provisions of a directive issued by Government in 1954, a Director of the Corporation who is interested in any applicant or loanee concern either as an ordinary shareholder or as a Director or member of the managing agency concern not only does not vote in any matter connected with such concerns but also withdraws from every meeting when any matter concerning such a loan is even discussed.

Provision for Bad and Doubtful Debts—The Auditors of the Corporation have stated that a further provision of Rs. 5 lakhs for doubtful debts is desirable. The Directors have examined the position carefully and have come to the conclusion that, while an additional provision of this order may possibly have to be made in the accounts for 1957-58 if, contrary to our present expectations, the position in respect of some of the loanee concerns deteriorates in the course of that year, the provision made in the accounts for the year under review is adequate.

Review of operations—Comparative figures relating to loan applications dealt with during the last three years are given below:—

	During the year ended 30-6-1955		During the year ended 30-6-1956		During the year ended 30-6-1957	
	No.	Amount Rs. (Thousands)	No.	Amount Rs. (Thousands)	No.	Amount Rs. (Thousands)
1. Applications received ..	46	11,27,00	86	27,70,02	67	21,36,25
2. Applications sanctioned ..	27	7,34,00	44	15,13,00	51	11,90,75
3. Loans disbursed ..	..	1,64,30	..	2,20,23	..	9,77,50
4. Applications rejected ..	18	2,93,25	8	2,17,50	14	4,87,50
5. Applications treated as lapsed or withdrawn ..	11	3,50,00	7	1,38,00	10	2,73,10
6. Applications under consideration at the end of the year.	7	2,34,00	34	9,88,60	26	11,37,00

Sanctioned amounts mentioned against 2 above are in respect of applications for aggregate amounts of Rs. 7,72,00,000, Rs. 17,46,91,800 and Rs. 12,35,75,000 respectively.

The aggregate amount of loans applied for during the year under review was lower than the corresponding figures for the past year. The number of applications received was also less. The aggregate amount of loans sanctioned was likewise lower although the number of applications sanctioned was higher. The fall in the figures for the year under review may be ascribed mainly to the difficult position prevailing in regard to foreign exchange for the import of capital goods required by industrial concerns.

Of the 67 applications received during the year for loans aggregating Rs. 21,36,25,000, 21 applications for loans aggregating Rs. 5,23,50,000 were received from the sugar industry and 17 applications for loans aggregating

Rs. 3,89,00,000 were received from the cotton textile industry. The remaining applications were received from other major industries such as chemicals, cement, paper, refractories, etc.

Out of the 21 applications received from the sugar industry for loans aggregating Rs. 5,23,50,000, 18 for an aggregate sum of Rs. 4,06,00,000 were from co-operative factories. Loans aggregating Rs. 3,83,50,000 were sanctioned during the year to co-operative factories taking the total figure sanctioned to such factories upto the end of the year to Rs. 10,72,50,000; this constitutes 66.2 per cent of the total loans sanctioned by the Corporation to the sugar industry. The co-operative factories assisted by the Corporation are located in Assam, Bombay, Madras, Mysore, Punjab and Uttar Pradesh. Sugar co-operatives situated in the Bombay State have accounted for loans aggregating Rs. 7,57,50,000 sanctioned upto the end of the year; this represents 42.4 per cent of the total loans sanctioned in that State and 70.6 per cent of the loans sanctioned to all the sugar co-operatives in the country. At the close of the year, three applications from co-operative sugar factories for loans aggregating Rs. 1,25,00,000 were pending. All the loans sanctioned to the sugar co-operatives except three, bear the guarantee of the concerned State and Central Government on 50:50 basis. As an encouragement to such sugar co-operatives, the Corporation has made a relaxation in respect of margin by accepting 40 per cent instead of 50 per cent generally prescribed in other cases.

Only one loan was sanctioned during the year for an amount exceeding Rs. 1 crore.

In September 1956, the Central Government issued a directive to the Corporation directing it to refer to Government all cases where the total amount of loans granted to industrial concerns which are owned, managed, or controlled by a closely connected group of industrialists exceeds Rs. 1 crore. In pursuance of the order issued by Government, on such references being made to them, loans aggregating Rs. 2,67,50,000 were rejected by the Corporation.

In terms of another directive issued by Government the Corporation referred to them one case in which the party concerned had already been granted loans by it on three previous occasions (aggregating Rs. 24 lakhs) and a fourth loan (for Rs. 50 lakhs) was contemplated. The Government approved of this additional loan to the concern.

The names of the concerns to whom the Corporation sanctioned loans since its inception upto the 30th June 1956 were given in Appendix 'B' of our last Annual Report. The names of concerns to whom the Corporation sanctioned loans during the year 1956-57 and of the Managing Agents/Managing Directors, etc., of these concerns are given in Appendix 'C'.

An analysis of the loans sanctioned to various types of industry, classified according to the International Standard Industrial Classification of all economic activities, is given in Appendix 'H'.

Loans classified statewide as under the States Reorganization Act 1956 are given in Appendix 'I'.

An analysis of the sanctions amountwise is given in Appendix 'J'.

During the last nine years, 1951 applications from new undertakings (i.e. factories that went into production after the 15th August 1947) were sanctioned covering amounts aggregating Rs. 33,80,00,000. During the same period, 108 applications from old established undertakings for renovation, modernisation and expansion were sanctioned. The loans sanctioned to them amounted to Rs. 21,31,50,000. Separate figures for each of the nine years are given in Appendix 'K'.

A statement showing the total amounts of loans sanctioned by the Corporation since its inception upto the end of each of the last nine years and the total amounts actually disbursed by the Corporation at the end of each year is given below:—

	Total amount of loans sanctioned.	Total amount of loans disbursed.
	Rs.	Rs.
As at the end of 30th June, 1949	3,42,25,000	1,32,89,813
As at the end of 30th June, 1950	7,19,25,000	3,40,74,312
As at the end of 30th June, 1951	9,58,20,000	5,78,65,800
As at the end of 30th June, 1952	14,03,45,000	7,57,03,800
As at the end of 30th June, 1953	15,46,70,000	10,06,79,600
As at the end of 30th June, 1954	20,73,75,000	12,88,65,752
As at the end of 30th June, 1955	28,07,75,000	14,52,96,304
As at the end of 30th June, 1956	43,20,75,000	19,73,19,677
As at the end of 30th June, 1957	55,11,50,000	26,50,70,174

The actual commitments of the Corporation in respect of loans sanctioned by it upto the 30th June 1957 are as follows:—

	Rs.	Rs.
Total Loans sanctioned	.. ..	55,11,50,000
Amount disbursed	.. .. 26,50,70,000	..
Loans declined or not to be made available	.. .. 8,18,42,000	34,60,12,000
		20,42,38,000

The disbursements during the year amounted to nearly Rs. 10 crores against Rs. 2.82 crores the highest amount disbursed so far in any previous year and Rs. 2.09 crores, the average amount disbursed in a year during the years 1948-49 to 1955-56.

The appointment of Law Officers at two of the branches referred to in the last Annual Report has contributed in no small measure to the acceleration in the pace of the disbursements of loans by us. In view of this experiment having proved successful, the Corporation has now appointed Law Officers at its other branches also. This will also result in a substantial reduction in the legal charges payable by the borrowers. Another factor which contributed to the increase in the pace of disbursements was the liberal manner in which the Corporation granted interim loans against adequate assets, but pending finalisation of documents. The number of interim loans so sanctioned during the year amounted to 47 for an aggregate amount of Rs. 5,91,70,000.

Progress of repayments—The total amount of interest charged and to be received on the loans sanctioned since the inception of the Corporation was Rs. 3,73,23,691.00, out of which a sum of Rs. 3,54,37,938.41 was actually received. Two companies have been granted extension of time to pay arrears of interest amounting to Rs. 1,94,814.52. Interest amounting to Rs. 7,06,256.69 due mainly from Sodepore Glass Works Ltd. has so far proved irrecoverable. Allowing for the above, the amount in default is Rs. 9,84,681.38 constituting less than 2.7 per cent of the amount due.

According to the schedules of repayment of principal, the total amount due to the Corporation since inception was Rs. 2,95,94,036.98, out of which a sum of Rs. 2,55,08,978.24 was received. Extension of time was granted to eight companies to repay the instalments aggregating Rs. 8,79,400.00. Overdue instalments amounting to Rs. 7,00,000.00 due from the Sodepore Glass Works Ltd. have so far proved irrecoverable. Allowing for the above, the amount of principal in default is Rs. 25,05,658.74 constituting 8.4 per cent of the total amount due. Extra payments aggregating Rs. 1,93,20,352.30 have been received upto date which included the repayment of the loans in full by eight companies.

Out of the sum of Rs. 34,90,340.12 being the total amount of instalments of principal and interest in arrears at the end of the year, a total sum of Rs. 29,72,313.58 is accounted for by five concerns. Of these concerns, one has been leased by the Corporation on terms which ensure the repayment of the entire amount of the outstanding debt from that concern, including the instalments of principal and interest in default. Another concern has since been sold and not only has the entire amount due to the Corporation from that concern been realised, but also a small surplus which will be returned to the company in due course. Another concern has improved its working and is remitting monies by instalments towards the arrears. Negotiations are under way for disposal or reconstruction of the other two concerns in default.

General review of development of industries particularly in the fields in which the Corporation advances loans—A general review of the development of industries financed by the Corporation during the year ended the 30th June 1957 is given in Appendix 'L'.

Concerns whose management/possession has been taken over by the Corporation—It was stated in our last Annual Report that considerable progress had been made in the action taken towards the completion of the sale of the assets of the Sodepore Glass Works Ltd., and it was expected that the factory of this company would be able to

go into production before long under the management of the Indo-Asahi Glass Co. Ltd. The sale transaction was completed on the 3rd May 1957 and the factory was reported to have gone into production on the 29th June 1957.

A reference was made in our last Annual Report to two concerns the possession of whose assets was still with the Corporation and it was stated that arrangements for the sale or lease of the factories of these concerns were under way. We have not been successful yet but efforts in this direction are still being made. The assets of one more concern which had committed defaults and had stopped production were taken possession of during the year; these assets have since been sold after inviting public tenders and the entire amount due to the Corporation has been recovered plus a small surplus.

State Financial Corporations—During the year under review, the States Reorganisation Act came into force and under the provisions of that Act, the Hyderabad State Financial Corporation merged with the Andhra State Financial Corporation and the Saurashtra Financial Corporation merged with the Bombay State Financial Corporation, thereby reducing the total number of State Financial Corporations to 11. The Industrial Finance Corporation is represented on each of these State Financial Corporations by the Branch Manager in whose jurisdiction the concerned State Financial Corporation is functioning.

The State Financial Corporations (Amendment) Act, 1956, came into force on the 1st October 1956. Some of the important provisions of this Act relate to:—

- Establishment of Joint Financial Corporations by two or more States or extension of jurisdiction of an existing Financial Corporation to other States.
- Inspection of the working of the Financial Corporation by the Reserve Bank of India.
- Instructions to be issued by State Governments to the Financial Corporations on questions of policy, in consultation with the Reserve Bank.
- Granting of accommodation by the Corporations against the guarantee of the State Government, a scheduled Bank or a State Co-operative Bank.
- Empowering the Corporations to act as agents of the Central or State Governments or the Industrial Finance Corporation of India in respect of loans or advances granted by them.
- Authorising the Corporations to borrow monies from the Reserve Bank of India.

The third conference of the representatives of all the State Financial Corporations was held as usual under the aegis of the Reserve Bank in November last, when common problems were discussed. The Corporation was represented at this conference by its General Manager. The following were some of the important matters discussed at the conference:—

- Provision of Government assistance to small-scale industries through institutional agencies.
- Raising of additional funds by the Corporations.
- Advances to tea gardens.
- Matters affecting the Corporations on account of the reorganisation of the States.

A summary of the conclusions reached at the conference as furnished by the Reserve Bank of India is given in Appendix "N".

Acknowledgement of Assistance received—The Board wish to place on record their appreciation of the co-operation and assistance received from the various Ministries of the Government of India, such as Ministries of Commerce and Industry, Heavy Industries, Food and Agriculture, Finance (Department of Economic Affairs), etc.

The Board are also thankful to the members who have served on the Advisory Committees for Sugar, Engineering, Textiles and Chemicals for their valuable advice.

By order of the Board

H. V. VENKATASUBBIAH
General Manager

APPENDIX 'A'

No. F.2(70)-Corp/56

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

New Delhi, the 13th Sept. 1955

From

Shri M. R. Bhide, I.C.S.,
Joint Secretary to the Government of India.

To

The Chairman,
Industrial Finance Corporation of India,
NEW DELHI.

Sir,

In exercise of the powers conferred on them in that behalf by sub-section (3) of section 6 of the Industrial Finance Corporation Act, 1948, and in continuation of this Ministry's letter No. F.2(48)-FIII/55 dated the 19th December, 1955 the Central Government are pleased to give the following further instructions on questions of policy in respect of the lending operations of the Industrial Finance Corporation:—

(i) The Industrial Finance Corporation shall not grant loans to any one party where the party concerned has already been granted loans by it on three previous occasions or where the aggregate loan to the party will exceed Rs. 1 crore except with the prior approval of the Ministry of Finance.

(ii) The Industrial Finance Corporation shall refer to the Ministry of Finance for orders, all cases where the total amount of loans granted to industrial concerns which are owned, managed, or controlled by a closely connected group of industrialists exceed Rs. 1 crore.

For purposes of clauses (i) & (ii) above the aggregate loan of Rs. 1 crore should be calculated by adding up the outstandings of the previous loan or loans and the amount of the fresh loan granted.

2. At present, the Industrial Finance Corporation has to refer to Government, for the purpose of obtaining a Government guarantee, all cases of loans to a single industrial concern where the loan exceeds Rs. 1 crore. It is intended that such a reference to Government will be made if the total amount of loans given to industrial concerns owned, managed or controlled by a closely connected group of industrialists, exceed Rs. 1 crore, even if each individual loan is less than Rs. 1 crore.

3. Receipt of this letter may please be acknowledged.

Yours faithfully,

(Sd.) M. R. BHIDE

Joint Secretary to the Government of India

APPENDIX 'B'

No. F.2(49)-Corp/56/II

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

New Delhi, the 19th September 1956

From

Shri M. R. Bhide, I.C.S.,
Joint Secretary,
Ministry of Finance.

To

The Chairman,
Industrial Finance Corporation of India,
NEW DELHI.

Sir,

In exercise of the powers conferred on them in that behalf by sub-section (3) of Section 6 of the Industrial Finance Corporation Act, 1948, and in continuation of this Ministry's letter No. 2(70)Corp/56 dated the 13th September 1956, the Central Government are pleased to give the following further instruction on questions of policy in respect of its lending operation:—

The Corporation should, as far as possible, reduce to the minimum the time-lag between sanction and disbursement of loans subject to the usual and necessary precautions regarding security, etc.

2. Receipt of this letter may please be acknowledged.

Yours faithfully,

(Sd.) M. R. BHIDE

Joint Secretary to the Government of India

APPENDIX 'C'

RULES

INDUSTRIAL FINANCE CORPORATION OF INDIA

(Constituted under the Industrial Finance Corporation Act, 1948)

In exercise of the powers conferred by section 42 of the Industrial Finance Corporation Act, 1948 (15 of 1948), the Central Government hereby makes the following rules, namely:

1. *Short Title and Extent*—(1) These rules may be called the Industrial Finance Corporation Rules, 1957.

(2) They extend to the whole of India.

2. *Approval of the Corporation's Budget*—The Corporation shall prepare its budget and obtain the approval of the Central Government before the 15th June each year.

3. *Form of Balance Sheet and Profit and Loss Account*—The business year of the Corporation shall close on the 30th June. As at the close of each business year, the Corporation shall prepare a balance sheet and profit and loss account in the forms to be prescribed by Government from time to time.

4. *Write off of losses*—The Corporation shall refer to the Central Government for sanction writing off of any amount exceeding Rs. 25,000 in all in any one case.

5. *Business which the Corporation may transact only with the prior approval of the Central Government*—The Corporation shall not transact any business referred to in clause (a), (b), (c) or (d) of sub-section (1) of section 23 of the Industrial Finance Corporation Act, 1948, save with the prior approval of the Central Government.

6. *Central Government to fix the rates of interest and rebate in interest by notification*—The Corporation shall charge interest on all its loans at the rate of 6½ per cent per annum with a rebate of ½ per cent for punctual repayment of principal and payment of interest. Any variation in these rates which shall be made only with the prior approval of the Central Government shall be notified by the Central Government in the Official Gazette.

7. *Integration of Corporation's loan policy with the Five Year Plan*—The Corporation shall satisfy itself before granting any loan that the purpose for which it is proposed to be utilized is one which has the approval of the Central Government, particularly with reference to the objectives of the Second Five Year and subsequent plans.

8. *Examination of the Capital structure of the loanee Company*—Before granting any loan, the Corporation shall satisfy itself that the Central structure of the loans company is sound and that the fixed interest-bearing shares or debentures are not disproportionately large and that the company has not invested a substantial part of its surplus funds in other industrial concerns.

9. *Information regarding industrial concerns whose management has been taken over by the Corporation under Section 28(1)*—The Corporation shall submit to the Central Government a quarterly report in the form at Appendix "A" giving information as on the 30th September, the 31st December, the 31st March, and the 30th June each year regarding the industrial concerns whose management is taken over by the Corporation under Section 28(1) of the Industrial Finance Corporation Act, 1948.

10. *Submission of information required by Government*—The Corporation shall submit such information as the Central Government may require from time to time in respect of any business of the Corporation.

11. *Furnishing of Information to State Financial Corporations*—Notwithstanding anything contained in Section 39 of the Industrial Finance Corporation Act, 1948, the Corporation shall, at the express request of any State Financial Corporation established in India under the State Financial Corporations Act, 1951, furnish them with any information connected with the business of the Corporation.

APPENDIX "A" (Rule 9)

A. (i) Name of the Company.

(ii) Board of Directors/Managing Agents.

(iii) Paid-up capital.

(iv) Business and location of factory.

(v) Date of sanction.

Amount sanctioned and advanced.

(vi) Purpose of Loan.

(vii) Security accepted and its valuation.

(viii) Guarantors, if any, and their reported worth.

B. (i) Particulars of dues (interest and principal).

Due Date.	Amount fallen due. Interest & Prin- cipal.	Amounts paid I — P	Amounts in arrears as on the date of taking over
		I — P	

(ii) Date of taking over the management of the concern under Section 28(1) of the Industrial Finance Corporation Act.

(iii) Amount of dues realised from the date of taking over:—

Upto the end of last quarter	Realised during this quarter	Outstanding dues
---------------------------------	---------------------------------	---------------------

(iv) Total expenditure incurred from the date of taking over:—

Upto the end of last quarter	Expenditure during this quarter	Total expenditure
---------------------------------	------------------------------------	----------------------

C. (i) A brief summary of assets and liability position of the Company.

(ii) Brief account of the progress made towards realisation of its dues.

APPENDIX 'D'

No. 2(18)-Corp/55

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

New Delhi, the 15th July 1957

From

Shri S. S. Sharma,
Under Secretary to the Government of India.

To

The General Manager,
Industrial Finance Corporation,
NEW DELHI.Subject:—Industrial Finance Corporation Rules, 1957—
amendment of—

Sir,

In continuation of this Ministry's letter No. 552-Corp/57 dated the 26th April 1957 on the subject noted above, I am

directed to enclose a copy of order bearing No. F.2(18)-Corp/55 dated the 15th July 1957 relating to amendment of Rule 7 of the Industrial Finance Corporation Rules, 1957

2. As regards loan applications from industrial concerns which do not fall under the purview of the Industries (Development and Regulation) Act, 1951 and those established before the said Act came into force, the Corporation may consult the Government of India in case of any doubt.

3. Receipt of this may please be acknowledged.

Yours faithfully,

Sd/- S. S. SHARMA

Under Secretary to the Government of India

APPENDIX 'E'

No. F.2(18)-Corp/55

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

New Delhi, the 15th July 1957

ORDER

In exercise of the powers conferred by section 42 of the Industrial Finance Corporation Act, 1948 (15 of 1948), the Central Government hereby makes the following amendment to the Industrial Finance Corporation Rules, 1957:—

In the said Rules, the following Explanation shall be inserted below rule 7, namely:—

“Explanation:—For the purposes of this rule, any Industrial concern for which a licence has been issued under the Industries (Development and Regulation) Act, 1951, shall be deemed to be established for a purpose which has the approval of the Central Government.”

Sd/- S. S. SHARMA

Under Secretary to the Government of India

APPENDIX 'F'

Debts due by concerns in which the Directors of the Corporation are interested as Directors and Shareholders, Directors or Members of the Managing Agency Concerns.

No. of Companies/ Societies	Date of sanction of loan	Amount due		Total	Remarks
		in respect of loans sanctioned prior to the dates on which the concerned directors became directors of the Corporation	in respect of loans sanctioned when the concerned directors were directors of the Corporation		
		Rs. nP.	Rs. nP.	Rs. nP.	

A. Debts due by Co-operative Sugar factories in which a Director of the Corporation is a Director in his capacity as a nominee of the Bombay State Co-operative Bank Ltd.

1	31-7-1954	..	40,00,000.00		
2	11-12-1954	..	30,00,000.00		
3	6-8-1955	..	30,00,000.00		
4	15-10-1955	..	30,00,000.00		
5	17-12-1955	..	31,75,000.00		
Total of A.		..	1,61,75,000.00	1,61,75,000.00	

B. Debts due by concerns in which the Directors of the Corporation are interested as Shareholders only.

1	2-6-1949 } *14-10-1950 }	73,200.00	..		
2	28-6-1949 } *30-7-1954 }	20,00,000.00	..		
3	16-8-1949	18,95,000.00	..	30,00,000.00	
4	16-6-1951	15,09,539.00	..		
5	16-6-1951	47,50,000.00	..		
6	11-4-1953	..	10,80,000.00		
7	21-11-1953 } *27-3-1954 }	..	28,00,000.00		
8	26-12-1953	..	2,40,000.00		
Total of B		1,03,27,739.00	71,20,000.00	1,74,47,738.00	

APPENDIX 'F'—contd.

No. of Companies/Societies	Date of sanction of loan	Amount due		Total	Remarks
		in respect of loans sanctioned <i>prior</i> to the dates on which the concerned directors became directors of the Corporation	in respect of loans sanctioned when the concerned directors were directors of the Corporation		
		Rs. nP.	Rs. nP.	Rs. nP.	
C. Debts due by concerns in which the Directors of the Corporation are interested as Directors or Members of the Managing Agency Concern.					
1	28-7-52	7,04,535.62	..	7,04,535.62	Loan since repaid in full.
	Total of C.	7,04,535.62	..		
D. Debts due by concerns in which the Directors of the Corporation are interested as Directors.					
1	14-10-1948 } *10-5-1950 }	14,00,000.25	..		{ One of the Directors of the Corporation is a Director of the concern while another is a shareholder only.
2	5-1-1952	44,50,000.00	..		
3	20-11-1954 *26-11-1956	51,62,054.71 ..	.. 9,27,406.84		
4	26-11-1956	..	5,00,000.00		
	Total of D	1,00,12,054.96	14,27,406.84		
	Total of A. B. C. & D.	2,20,44,329.64	2,47,22,406.84	1,24,39,461.80	4,67,66,736.48

*Additional loan.

APPENDIX 'G'

Statement of the Loans sanctioned by the Industrial Finance Corporation of India from 1st July 1956 to 30th June 1957

Sl. No.	Name of the Company	Name of the Managing Agents/Managing Directors/Chairman of the Board of Directors/Secretaries and Treasurers	Location of the Factory		Amount of the loan sanctioned		Purpose for which sanctioned
			Place	State	New Undertaking	Old Undertaking	
1	2	3	4	5	6	7	8
1	Krishna Sahakari Ltd.	Sabakari Karkhana Shri Y. J. Mohite, Chairman.	Tulewadi, Taluka Karad, Distt. N. Satara.	Bombay	Rs. 40,00,000	Rs. ..	For setting up a sugar factory with a crushing capacity of 800/1000 tons of sugar-cane per day.
2	Gangapur Mills Ltd.	Sugar Messrs. Shakkar Udyog (Private) Ltd., Managing Agents.	Jamgaon village, Taluka Gangapur, District Aurangabad.	Bombay	40,00,000	..	For setting up a sugar factory with a crushing capacity of 850 tons of sugar-cane per day.
3	Panipat Co-operative Sugar Mills Ltd.	Shri Jagbir Sawhney, General Manager.	Panipat	Punjab	40,00,000	..	For setting up a sugar factory with a crushing capacity of 1000/1250 tons of sugar-cane per day.
4	Hindusthan National Glass Mfg. Co. Ltd.	Principal Directors Shri O. M. Somany and Shri H. L. Somany.	Rishra, Distt. Hooghly.	West Bengal.	10,50,000 (Addl.)	..	For acquisition of capital equipments under their scheme of installing another 'Tank Furnace' with a capacity of 30 tons per day and adding two more automatic machines for the manufacture of bottles and tumblers.